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## **200 ADMINISTRATION**

### **201 Overview**

This chapter provides an overview of DES/DDD's administration of federal and/or State funded programs to provide home and community based, acute care and institutional services to individuals with developmental disabilities. It summarizes DES/DDD's mission and briefly describes its programs. It also explains the governing laws and rules that guide the programs, describes DES/DDD's organizational structure, discusses how the programs are funded and provides an overview of the types of providers that deliver services to individuals with developmental disabilities.

### **202 Mission and Value Statement**

DES/DDD's statutory mission statement is:

The DES/DDD, in partnership with individuals with developmental disabilities, their families, advocates, community members and service providers, will develop, enhance and support environments which will enable individuals with developmental disabilities to achieve and maintain physical well-being, personal and professional satisfaction, participation as family and community members and safety from abuse and exploitation.

The following value statements reflect DES/DDD's mission:

We value:

- a. the development and fostering of personal relationships with family and friends;
- b. individual and family initiative in making choices and expressing preferences;
- c. equal access to quality services and supports for all individuals;
- d. individuals as welcomed, participating, and contributing members in all aspects of family and community life; and

- e. the rights of all individuals and the preservation of their worth, value and dignity.

Therefore:

- a. programs and services will be offered in a manner which supports and enhances independence, self-esteem, mutual respect, value and dignity;
- b. within available resources, programs and services will be offered to support individual and family preferences and choices regarding opportunities for individuals to learn/gain, exercise personal and professional competence and shape personal futures;
- c. opportunities, programs, and services will be designed and developed in partnership with individuals, families, advocates, community members and service providers;
- d. families and friends will be recognized as the primary providers of support, nurturing, and training, and as capable of determining their own needs;
- e. programs and services will be provided through a comprehensive, home and community-based system which recognizes and supports cultural diversity;
- f. programs and services will be designed and offered to promote optimum physical, mental and emotional well-being;
- g. DES/DDD will work cooperatively with community and business leaders to develop information and access to community programs and supports for individuals. It will participate in community education programs regarding developmental disabilities;
- h. programs and services will be offered in a manner which exhibits effective, efficient and appropriate management and public accountability; and
- i. decisions, actions, and program development will be guided by DES/DDD mission, values and imperatives.

A.R.S. § 36-554(A)(10)

## **203 Program Description**

DES/DDD provides or procures services for certain individuals who have autism, cerebral palsy, epilepsy or cognitive disability. To qualify for DES/DDD services, an individual must voluntarily apply, be an Arizona resident, have been diagnosed with one of these conditions which was manifested before the age of 18 and have substantial limitations in at least three or more of the following life functions:

- a. self-care;
- b. receptive and expressive language;
- c. learning;
- d. mobility;
- e. self-direction;
- f. capacity for independent living; or
- g. economic self-sufficiency.

Infants and toddlers under the age of six years may be eligible for services if they exhibit a significant delay in one or more areas of development, or if they are under age 3 and determined to be at risk of becoming developmentally disabled if services are not provided.

The State funded program covers individuals who meet the statutory criteria described above. Additional fund sources include Title XX, client contributions and grants. The other major funding source is the Arizona Long Term Care System (ALTCS), the Medicaid (Title XIX) program for persons with developmental disabilities who meet ALTCS eligibility criteria. The ALTCS program for people with developmental disabilities was implemented in Arizona in December 1988.

ALTCS is a Medicaid funded program that provides long term and acute care services to individuals with developmental disabilities who are at risk of institutionalization. It is a research and demonstration project, approved by the Health Care Financing Administration (HCFA), intended to illustrate that home and community based services (HCBS) and a managed care approach are more cost effective than institutionalization. Long term and acute care services are bundled under a single system of Support Coordination in order to coordinate and enhance service delivery.

Medicaid requires that an individual who meets the financial and functional requirements receive medically necessary assistance, within the scope of the approved Medicaid State Plan. This is not true of the State funded program. Under the State funded program, services can only be provided to individuals with developmental disabilities who meet eligibility requirements, up to DES/DDD's budget appropriation.

The eligibility determination process and criteria for both funding systems are described in Chapter 500 of this manual.

42 CFR 435.132; 435.217; 435.222; 435.225;  
441.300  
A.R.S. § 36-559; § 36-2934  
A.A.C. R6-6-301; R6-6-302

## **204 Governing Laws and Rules**

### **204.1 State**

Administration of DES/DDD's programs has been assigned by the State Legislature to DES; DES/DDD is responsible for program operations and administration.

Enabling legislation for DES/DDD is found in A.R.S. Title 36, Chapter 5.1, Articles 1, 2 and 3. Related legislation concerning education, insurance, transportation and public health and safety for individuals with developmental disabilities is located in A.R.S. Titles 15, 20, 28, and 36, respectively. Statutes related to AHCCCS are located in A.R.S. Title 36, Chapter 29.

The administrative rules that govern policies and procedures for DES/DDD are set forth in Arizona Administrative Code (A.A.C.), Title 6, Chapter 6. These rules have the effect of law.

## 204.2 Federal

Title XIX of the Social Security Act established the Medicaid program in 1965. It is a national health care program that provides medical assistance to families and to individuals who are aged, blind or disabled whose income and resources are insufficient to meet the cost of necessary medical services. The program is administered by HCFA, within the U.S. Department of Health and Human Services (DHHS). Medicaid is a federal and state partnership under which the federal government establishes basic program rules. Each state is required to submit a State Plan describing how it will administer the Medicaid program within the confines of federal regulations.

The Medicaid program in Arizona is known as the Arizona Health Care Cost Containment System (AHCCCS). Unlike the traditional Medicaid model that pays a fee for health care services provided, AHCCCS pays a monthly per capita amount to health plans or program contractors who are responsible for meeting the medical needs of their enrollees. Individuals who are eligible for Medicaid receive acute care services through their health plan or program contractor. These services include preventative and diagnostic care and treatment, laboratory, medical, pharmacy, inpatient hospital, emergency ambulance, medically necessary transportation, emergency services, emergency dental care and extractions, medically-necessary dentures, medical supplies and equipment and prosthetic devices. Additional information on services is provided in Chapter 600 of this manual.

The State Legislature passed legislation in 1987 expanding AHCCCS services to include long term care (LTC). The Arizona Long Term Care System (ALTCS) was implemented December 19, 1988 for individuals with developmental disabilities and January 1, 1989 for people who are elderly or have a physical disability.

LTC refers to ongoing services required by individuals who are unable to independently perform activities of daily living. These include a wide range of services provided in a nursing facility (NF), home or community based setting or Intermediate Care Facility for the Cognitive Disabled (ICF/MR).

Medicaid funding is available for all Medicaid covered services rendered to individuals with developmental disabilities who are eligible and enrolled in ALTCS, in accordance with Arizona's waiver and agreements with HCFA. Individuals who are ineligible for ALTCS may still be eligible for the acute care services that are provided by AHCCCS contracted health plans based on their household income

and resources. They may also be eligible for the State funded DES/DDD program, however, if the individual with a developmental disability is AHCCCS eligible, but not ALTCS eligible, DES/DDD would not be involved in the coordination of his/her medical care.

A.R.S. § 36-2931  
A.A.C. R9-28-101, et seq.

## **205 DES/DDD Organization**

### **205.1 DES Organization**

DDD is one of nine divisions of DES. The other divisions are:

- a. Division of Employee Services and Supports (DESS);
- b. Division of Business and Finance (DB&F);
- c. Division of Data Administration (DDA);
- d. Division of Employment and Rehabilitation Services (DERS);
- e. Division of Benefits and Medical Eligibility (DBME);
- f. Division of Aging and Community Services (DACS);
- g. Division of Child Support Enforcement (DCSE); and
- h. Division of Children, Youth Families (DCYF).

Appendix 200.A is the DES organizational chart; Appendix 200.B contains the DES/DDD organizational chart. A map illustrating the boundaries of DES/DDD's districts is in Appendix 200.C.

### **205.2 DES/DDD Central Office Organization**

Program administration and services provision are managed by DES/DDD's Assistant Director, Deputy Assistant Director, Operations Administrators, Office of the Medical Director and District Program Managers (DPMs) or District Program Administrators (DPAs). Central

office is comprised of three operational administrations: Business Operations, Program Operations and Managed Care Operations (MCO). These units are supported by the Office of the Medical Director and the Personnel Unit. The missions of each of these units are:

**Business Operations:**

The mission of Business Operations is to provide support in the delivery of care to individuals with developmental disabilities through continuous improvement in the areas of financial management, procurement of services, information systems and planning.

**Program Operations:**

The mission of Program Operations is to develop and administer systems for service monitoring, quality review, provider certification, policies and procedures, administrative rules and compliance and review. These systems, developed in association with individuals with developmental disabilities, their families, advocates, community members and service providers, enable individuals with developmental disabilities to achieve and maintain physical well-being, safety from abuse and exploitation, personal and professional satisfaction and participation as family and community members.

**Managed Care Operations:**

The mission of MCO is to provide an environment which enables individuals with developmental disabilities to realize their fullest potential by achieving and maintaining maximum health and well-being. This is provided through MCO programs designed to develop, monitor and enhance health care services that are easily accessible, of appropriate scope and quality, cost-effective and that complement developmental services.

Managed Care Operations (MCO), in collaboration with the Districts, has established a Nurse Support Unit to integrate medical consultation and Support Coordination.



The Nurse Support Unit is designed to support:

- a. individuals with developmental disabilities and their families;
- b. districts and Support Coordinators;
- c. contracted healthplans;
- d. contracted providers; and
- e. the AHCCCS Administration.

Participating as an Individual Support Plan (ISP) team member, Nurses will work with Support Coordinators to develop the most appropriate, least restrictive and non-duplicative service plan for each individual.

The Nurse Support Unit is a Medical Services Program encompassing:

- a. home based nursing assessment and monitoring;
- b. complex Nurse Support Coordination;
- c. Ventilator Dependent Support Coordination;
- d. group home/nursing facility assessment and monitoring;
- e. behavioral health service coordination;
- f. prior authorization;
- g. utilization/concurrent review;
- h. discharge planning;
- i. early, periodic screening, diagnosis, and treatment (EPSDT)/maternal and child health (MCH) programs;
- j. quality management (medical issues);
- k. educational resources; and
- l. therapy services coordination.

Staffing for this unit includes Statewide District Nurses, Nurse Consultants and the Managed Care Operations (MCO) Medical Services Program. For medical and nursing issues, nurses report to the Medical Services Manager who reports to the Managed Care Operations Administrator. For non-medical issues, District Nurses and Nurse

Consultants report to their DPM or designee. Nurse Consultants outside District I may report to their District Nurse or designee.

The DES/DDD Medical Director provides expert medical management consultation.

Cases may be referred to the Nurse Support Unit by:

- a. individual or family;
- b. Support Coordinator;
- c. contracted health plans;
- d. Office of the Medical Director;
- e. contracted providers;
- f. utilization review indicating hospital readmission less than 30 days from discharge, three (3) or more emergency room visits within 30 days, high cost one-time service or greater than 80% of ICF/MR; or
- g. ventilator dependency.

Referrals may be for comprehensive nurse Support Coordination or assessment and investigation of medical management options. District staff are encouraged to use the Nurse Support Unit as a resource to develop an appropriate plan for services. The Nurse Support Unit must be consulted if the service plan includes skilled nursing services.

The referrals are distributed as follows:

- a. District Nurses - Geographically assigned to those individuals requiring home nursing, skilled assessments,

quarterly review, concurrent review and discharge planning;

- b. Nurse Consultants - Staff providing complex nurse Support Coordination; and
- c. MCO Medical Services - Ventilator dependent utilization and Support Coordination; concurrent review and discharge planning for all out of area admissions; complex nurse Support Coordination for high intensity or high utilization referrals; or medical quality management/resource consultations.

Office of the Medical Director:

The mission of the Office of the Medical Director is to provide leadership and guidance to the DES/DDD administration, staff and clients to promote quality health care and medical policy to facilitate the achievement of the goals of DES/DDD.

This will be accomplished by:

- a. participation in recruitment of acute care providers;
- b. education of staff and providers;
- c. formulation of medical policy; and
- d. supporting statewide quality management and assessment.

Personnel Unit:

The mission of the Personnel Unit is to provide efficient, professional personnel services to ensure that personnel actions are timely, consistent, fair and in compliance with rules, laws and agency policies.

The address and telephone numbers for Central Office are noted in Appendix 100.A.

**205.3**      **District Organization**

DES/DDD coordinates services and resources through six District offices and approximately 45 local offices geographically situated to provide services to eligible Arizona residents. These District and local offices promote utilization of existing community resources to meet individual needs.

Districts include one or more counties as indicated below; the addresses and telephone numbers of District offices are also identified in Appendix 100.A:

District I - Maricopa County

District II - Pima County

District III - Apache, Coconino, Navajo, and Yavapai Counties

District IV - La Paz, Mohave, and Yuma Counties

District V - Gila and Pinal Counties

District VI - Graham, Greenlee, Cochise and Santa Cruz Counties

Each District is managed by a DPM/DPA. Staff include subordinate management, Support Coordination, direct care and support staff.

The Arizona Training Program at Coolidge (ATPC), part of which is an ICF/MR, is managed by the DPA in District V. There are five ICFs/MR in Phoenix which are managed by the DPA for District I.

**206**      **Financing**

DES/DDD operates under several appropriations: the 100 percent State funded budget for persons and services that do not qualify for ALTCS, ALTCS funding as well as client contributions, third party liability collections, grants and other fund sources. The ALTCS appropriation is a combination of State and federal funds for Medicaid eligible persons and services.

ALTCS operates on a capitated payment basis. This means the State and HCFA have negotiated a fixed payment per member per month and DES/DDD receives prospective capitation based on this agreement. For all ALTCS covered services, the actual expenditures are analyzed and a new capitation rate is negotiated for the next year.

A.R.S. § 36-571; § 36-2941; § 36-2942

## **207            Managed Care Approach to Service Provision**

Managed care is a method of managing health care services and is designed to assess individual needs and match those needs with the most appropriate type of quality service, provided cost-effectively.

There are a variety of basic components that may be part of a managed care system of health care. Health care is considered "managed" when these fundamental components are present. Each factor is a benchmark in assessing the effects of managed care on accessibility, quality and cost of health care.

The basic components of managed health care plans include:

- a. a defined health care services benefit package;
- b. capitation payments and/or established levels of reimbursement for services;
- c. bundling of related services;
- d. use of a specific provider network;
- e. a service utilization management program;
- f. health decision making shared by medical professionals;
- g. comprehensive quality criteria; and
- h. health promotion, including information and activities regarding healthful lifestyles and early disease detection.

MCO is the unit within DES/DDD responsible for coordination of health care services for people with developmental disabilities who are eligible for ALTCS.

Consistent with the general principles and practices of the managed health care discipline, MCO is responsible for the functions and operations described below:

- a. establishment and maintenance of a qualified health care provider network:

MCO issues a Request for Proposals (RFP) to solicit bids from qualified health plans to provide acute health care services to people with developmental disabilities who are eligible for ALTCS. MCO may also solicit bids for specific covered services such as adaptive equipment, pharmacy and clinical laboratory testing. This approach to the

purchase of care and services encourages cost containment and standardization of the quality of services across the State.

If there is a geographic area not served by a health plan, MCO recruits and establishes an acute health care provider network. In these areas, known as fee-for-service (FFS) areas, MCO functions as the health plan.

- b. health plan enrollment and primary care physician assignment:

Upon notification from AHCCCS that a person is eligible for DDD/ALTCS, an Member Services Representative in MCO notifies the individual/responsible party and the Support Coordinator, requesting the individual to choose a health plan. MCO then enrolls the individual in the chosen health plan. If the individual fails to choose a health plan within a specified period of time, MCO assigns them to a health plan serving the geographic area of their residence. After being enrolled with a health plan, the individual must contact the health plan within ten (10) days to choose a Primary Care Physician (PCP). People living in FFS areas are asked to select a PCP.

- c. Quality Management (QM - quality assurance and utilization review)

QM is defined as the anticipation of a person's needs, the coordination and delivery of appropriate services to meet those needs while ensuring the best outcome for the individual with a developmental disability at the least possible cost. A primary objective of QM is to promote a system which seeks continuous quality improvement for all people served through DES/DDD and for all providers of services.

QM combines activities traditionally referred to as quality assurance, utilization review and risk management. The scope of the quality management activities of MCO includes acute and ambulatory health care, nursing facilities, ICFs/MR, HCBS and behavioral health services.

QM activities include:

1. monitoring the quality and delivery of ALTCS acute health care services provided by health plan provider networks and FFS providers;
2. prior authorization of all ALTCS acute health care services for ALTCS eligible individuals

- residing in FFS counties and for ALTCS eligible Native Americans receiving services outside of Indian Health Service (IHS) facilities;
3. prior authorization of ALTCS covered HCBS requiring physician order;
  4. participation in discharge planning activities for all movement of medically involved individuals moving from any type of placement, i.e., from hospital to group home, from group home to group home, etc. and concurrent review of hospitalized ALTCS eligible individuals in FFS counties;
  5. medical Support Coordination of individuals meeting criterion for being medically involved as defined in the Glossary;
  6. participation in Cost Effectiveness Studies (CES) for ALTCS eligible individuals whose service costs exceed 80% of the cost of institutionalization in an ICF/MR except for those individuals dependent upon a ventilator (See Chapter 1400);
  7. conducting Continued Stay Reviews for people residing in ICFs/MR;
  8. conducting PreAdmission Screening/Annual Resident Reviews (PASARR) Level II reviews for people residing or seeking placement in Nursing Facilities (NF);
  9. coordination of Quality of Life reviews and initiation of corrective action;
  10. conducting Medical Care Evaluation (MCE) studies and implementing recommendations;
  11. responding to requests for corrective action plans from AHCCCS and other regulatory agencies; and
  12. implementation and coordination of special programs unique to ALTCS/AHCCCS such as Behavioral Health, Ventilator Dependent and Early and Periodic Screening, Diagnosis and Treatment (EPSDT).

## **208 Service Providers**

DES/DDD provides or contracts with individuals and agencies for services and supports for persons with developmental disabilities. Services are provided to eligible individuals based on the person's identified needs, State and/or federal guidelines, and when applicable, the availability of funds. For individuals who are ALTCS eligible, acute and long term care services are provided under a bundled, managed care approach with a single Support Coordinator and an Individual Support Plan (ISP) team. For individuals with developmental disabilities who are not ALTCS eligible, State funded services are available within budget limits, based on the recommendation of the individual's Support Coordinator and ISP team.

As mentioned in Section 204.2, ALTCS services include those services required by individuals who are unable to independently perform activities of daily living. Services include HCBS, which ensure that individuals receive care in the least restrictive environment, yet in the most cost-effective manner in accordance with a managed care approach. HCBS provide the individual with necessary care while allowing him/her to reside at home or in community settings.

All medical services covered by ALTCS must be ordered by the individual's primary care physician (PCP) and/or authorized by the individual's health plan. Services will be provided by physicians, facilities and health professionals subcontracted to the health plan.

DES/DDD contracts for medical services from specific health plans; all DDD/ALTCS eligible individuals who live in a county in which a health plan provides services are required to join one of these plans. Children in foster care receive medical services from the Comprehensive Medical and Dental Plan (CMDP), administered by the Department's Division of Children and Family Services. In those counties where DES/DDD does not contract with a health plan, DES/DDD pays fees directly to individual doctors, therapists and other medical personnel who provide acute care services to DDD/ALTCS eligible individuals (fee-for-service reimbursement).

Individual providers are recruited by DES/DDD staff and contracted with to enhance the scope of DES/DDD's provider network. Providers respond to Requests for Proposals and contracts are awarded by competitive bidding. DES/DDD has the option to award single or multi-year contracts.

State law provides for the following categories of services. Examples of these services are:

Children's services - includes day programs that focus on sensorimotor, language, social and behavioral skills to minimize the effects of



developmental disabilities and to prevent the need for more costly habilitative services later in an individual's life. Examples of services include, but are not limited to, summer programs, day treatment and training, therapies and personal care.

Residential settings - includes living accommodations and care, supervision and training in daily living skills. Services may include habilitation, room and board and transportation.

Adult services - includes programs to teach skills such as personal/social adjustments and job skills. Services may include day treatment and training and employment-related programs.

Support services - includes services to individuals in their home and/or community to prevent the need for more intensive services such as those provided in residential settings. Support services also provide professional care to individuals in residential or day programs. These services assist individuals and families in their ability to maintain the individual in an independent or semi-independent setting. Services include, but are not limited to, respite, therapy, habilitation, adaptive aids and devices and personal care.

Support Coordination services - the process of coordinating the assistance needed by persons with developmental disabilities and their families to ensure that individuals attain their maximum potential for independence, productivity and integration into the community. The Support Coordinator must ensure that the individual obtains necessary quality services to provide intended benefits in the most cost-effective manner. Support Coordination serves as the framework for effective utilization and delivery of quality care. Support Coordination services include, but are not limited to, intake and eligibility determination, assessment, plan development, coordination, monitoring and case closure. See Chapter 400 of this manual for additional information on the Support Coordination process.

Acute care services - includes those medical services that are necessary to maintain or restore an individual's health. Services include, but are not limited to, inpatient and outpatient health services, laboratory, x-ray and medical imaging services, mental health services, pharmacy, medical supplies and equipment, orthotic and prosthetic devices and emergency services.

Additional detailed information on the services that DES/DDD provides to individuals with developmental disabilities is presented in Chapter 600 of this Manual.

A.R.S. § 36-558; § 36-2939